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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

RAPILLO, KRISTINE K

ART UNIT	PAPER NUMBER
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3626

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/790,500	Applicant(s) KILGORE ET AL.	
	Examiner KRISTINE K. RAPILLO	Art Unit 3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 September 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 01 March 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>3/1/2004</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Notice to Applicant

1. This communication is in response to the amendment submitted September 15, 2008. No claims were amended. Claims 1 – 20 are presented for examination.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claim 14 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The invention as recited claims "providing the association health component a managing general agent". The limitation as claimed is unclear because it is providing a person, and how do you provide a person. Claims 15 – 20 have similar deficiencies as noted above with regard to claim 14 and therefore are rejected for substantially the same reason.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1 – 13 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claim 1 is a system claim, however there are no hardware components, as is expected with a system claim, in the limitations. In addition, the limitations refer to people as part of the claims (managing general agent), thus the claimed invention encompasses a human being which is directed to nonstatutory subject matter. Claims 2 – 14 have similar deficiencies as noted above with regard to claim 1 and therefore are rejected for substantially the same reason.

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6. Claims 14 - 20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claimed invention is directed to non-statutory subject matter. In order for a method to be considered a "process" under 35 USC § 101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 53, 70 (1972). If neither of these requirements is met by the claim, the method is not a patent eligible process under 35 USC § 101 and is non-statutory subject matter. With regard to claim 14, the method claimed by the Applicant is not tied to another statutory class as it recites the limitations "recruiting as association", "organizing an association", "providing the association", "managing the health care service", "training the sales and administrative personal", "providing a wellness service", "providing a risk management", "providing a financial service", and "providing a data management service". The method claimed does not include a particular machine, nor does it transform the data identifying the patient. The method steps recited in the body of claim 14 could reasonably be interpreted to encompass a human being performing these steps. Claims 15 – 20 have similar deficiencies as noted above with regard to claim 14 and therefore are rejected for substantially the same reason.

The above deficiency can be overcome by expressly stating in the body of the claimed method, using a computer (apparatus) or terminal, for example, which makes the claim useful.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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8. Claims 1 – 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cooperstone et al. (U.S. Publication Number 2002/0022982 A1), herein after Cooperstone, in view of Chao (U.S. Publication Number 2006/0178915 A1).

In regard to claim 1 (Original), Cooperstone teaches a system for providing health care benefits, comprising:

- an association with a plurality of members (paragraph [0062]) where a small business has a plurality of members;
- a parent management company organized to manage a health care service for the association (paragraphs [0117], [0151], and Figure 8). It is well known in the industry that human resource departments/groups manage benefit programs, including health care plans (paragraphs [0055] through [0060]). A Professional Employer Organization is a management company which can manage a health care service for an association (i.e. business) - paragraph [0010].
- an association health component, organized by the parent management company as a subsidiary of the association and provided with the health care service and an operational process by the parent management company, the sales and administrative personnel of the association health component trained by the parent management company (paragraph [0073] and Figure 9). The Examiner interprets the training of sales and administrative personnel to be inherent to the sales and administrative personnel of the parent management company. In other words, it would be obvious for sales and administration personnel, whether temporary employees or employees of the business, to be trained in the business following the standard operating procedures of the company;
- a financial services component providing a financial service to the association health component under the direction of the parent management company (paragraphs [0073] and [0074]), where a third party administers a financial benefit package;
- a data management component organized to capture patient and employer data under the direction of the parent management company (paragraph [0107]); and

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- a managing general agent who licenses the operational process and manages the operational process for the association health component (paragraphs [0011] and [0055] through [0060]).

Cooperstone fails to teach a system comprising a wellness component under the direction of the parent management company to provide a preventative care and wellness education service to the association health component and a risk management component providing a risk management service to the association health component under the direction of the parent management company.

Chao teaches a system for providing health care benefits comprising:

- a wellness component under the direction of the parent management company to provide a preventative care and wellness education service to the association health component (paragraph [0084] and Figure 5); and
- a risk management component providing a risk management service to the association health component under the direction of the parent management company (paragraph [0093].

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include a system comprising a wellness component under the direction of the parent management company to provide a preventative care and wellness education service to the association health component and a risk management component providing a risk management service to the association health component under the direction of the parent management company as taught by Chao, within the system of Cooperstone, with the motivation of providing an affordable health care plan to participants, who are members of an organization (or are sponsored by an organization) such as a business (paragraph [0022]).

In regard to claim 2 (Original), Cooperstone teaches the system of claim 1. Cooperstone fails to teach a system wherein the association health component contracts the health care service from a service provider in coordination with the parent management company.

Chao teaches a system wherein the association health component contracts the health care service from a service provider in coordination with the parent management company (paragraph [0085]).

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The motivation to combine the teachings of Chao and Cooperstone is discussed in the rejection of claim 1, and incorporated herein.

In regard to claim 3 (Original), Cooperstone teaches the system of claim 1, wherein the association health component operates as an association health plan company (paragraph [0074]).

In regard to claim 4 (Original), Cooperstone teaches the system of claim 1. Cooperstone fails to teach a system wherein the association health component operates as a captive association health plan company.

Chao teaches a system wherein the association health component operates as a captive association health plan company (paragraphs [0028] and [0094]).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include a system wherein the association health component operates as a captive association health plan company as taught by Chao, within the system of Cooperstone, with the motivation of providing a tool to finance risks associated with a health care plan (paragraph [0028]).

In regard to claim 5 (Original), Cooperstone teaches the system of claim 1, wherein the association health component is a workers compensation company and the health care service is a workers compensation insurance (paragraph [0068]).

In regard to claim 6 (Original), Cooperstone teaches a risk management component, of claim 1, further comprising a tracking component organized to track work and health related incidents (paragraph [0075]).

Cooperstone fails to teach a system where the risk management component further comprises a substance abuse component providing substance abuse screening and substance abuse policies and a risk management education component providing risk management education programs.

Chao teaches a system where the risk management component further comprises:

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- a substance abuse component providing substance abuse screening and substance abuse policies (paragraph [0055]); and,
- a risk management education component providing risk management education programs (paragraph [0048]).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include a system comprising a substance abuse component providing substance abuse screening and substance abuse policies and a risk management education component providing risk management education programs as taught by Chao, within the system of Cooperstone, with the motivation of evaluating the risk of insuring a participant and the financial impact on the business or sponsor of insurance (paragraph [0082]).

In regard to claim 7 (Original), Cooperstone teaches the system of claim 1, further comprising a point of service component configured to provide identification and billing services on the site of a service provider (paragraph [0023]).

In regard to claims 8 (Original), Cooperstone teaches the system of claim 7. Cooperstone fails to teach a system wherein the point of service component comprises a data card configured to store patient data.

Chao teaches a system wherein the point of service component comprises a data card configured to store patient data (paragraphs [0058] and [0088]).

The motivation to combine the teachings of Chao and Cooperstone is discussed in the rejection of claim 1, and incorporated herein.

In regard to claims 9 (Original) and 10 (Original), Cooperstone teaches the system of claim 8. Cooperstone fails to teach a system wherein the data card is a smart card.

Chao teaches a system wherein the data card is a smart card (paragraphs [0058] and [0088]).

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The motivation to combine the teachings of Chao and Cooperstone is discussed in the rejection of claim 8, and incorporated herein.

In regard to claim 11 (Original), Cooperstone teaches the system of claim 1, the wellness component further comprising a health products distribution component distributing health products to the association and the association members (Abstract).

In regard to claim 12 (Original), Cooperstone teaches the system of claim 1, further comprising an Internet component configured to allow access to the data management component, the wellness component, the risk management component, a health care service provider, the association health component, and the parent management company (paragraph [0011]).

In regard to claim 13 (Original), Cooperstone teaches the system of claim 1, further comprising a sales force organized to sell the health care service (paragraph [0073]).

Method claims 14 (Original), 15 (Original), 16 (Original), and 20 (Original) repeat the subject matter of system claims 1, 4, 5, and 12, respectively, as a series of steps rather than a set of apparatus elements. As the underlying elements of claims 1, 4, 5, and 12 have been shown to be fully disclosed by the teachings of Cooperstone and Chao in the above rejection of claims 1, 4, 5, and 12 it is readily apparent that the system disclosed by Cooperstone and Chao performs these steps. As such, these limitations are rejected for the same reasons given above for system claim 1, 4, 5, and 12 and incorporated herein.

In regard to claims 17 (Original), 18 (Original), and 19 (Original), Cooperstone teaches the method of claim 14, wherein the managing general agent is an independent contractor, employee of the association health component, and an employee of the parent management company (paragraph [0007]). The Examiner interprets an independent contractor to represent a temporary employee, an employee of the association health component as an employee of the business (i.e. Human Resource Representative),

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and the employee of a management company to be an employee under contract to the business. The function of each of these positions is the same, regardless of who they are employed by.

Response to Arguments

9. Applicant's arguments filed September 15, 2008 have been fully considered but they are not persuasive. Applicant's arguments will be addressed herein below in the order in which they appear in the response filed.

In regard to claims 1 and 14:

- The Applicant argues that neither Cooperstone nor Chao disclose a wellness component under the direction of a parent company configured to provide wellness management services and programs. The Examiner respectfully disagrees. Chao discloses a wellness program which includes, for example, smoking cessation and weight reduction (paragraph [0084]). In addition, Chao discloses that the infrastructure of his invention includes preventative medicine (paragraph [0052]). Cooperstone does not explicitly disclose a wellness program, however, Cooperstone discloses the selection of an insurance plan or program (paragraphs [0011], [0013], [0024], [0027], and [0028]), therefore the wellness program of Chao would obviously be included under the broad umbrella of health insurance plans/programs disclosed by Cooperstone. Thus, the Applicant's arguments are rendered non-persuasive.
- In addition, the Applicant argues that neither Cooperstone nor Chao disclose a risk management component under the direction of the parent management company configured to provide risk management services and programs. The Examiner respectfully disagrees. Chao discloses a process to incorporate risk management processes to reduce financial costs as well as forecast the cost of future healthcare (paragraph [0019]). Chao teaches a system in which data is analyzed to identify high-risk

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members of a health care plan, which enables a physician to identify and implement appropriate therapy (paragraph [0057]). The Examiner interprets the system disclosed by Chao as a risk management service, thus, the Applicant's arguments are non-persuasive.

- The Applicant argues that neither Cooperstone nor Chao disclose a reasoning to combine a wellness component and a risk management component to an association health component under the direction of the parent management company to provide additional service and programs to the members as instructed by the Applicant; the Examiner has not established a *prima facie* case of obviousness. The Examiner respectfully disagrees. As discussed in the earlier response to the Applicant's argument, Chao discloses a wellness program which includes, for example, smoking cessation and weight reduction. In addition, Chao discloses that the infrastructure of his invention includes preventative medicine. Cooperstone does not explicitly disclose a wellness program, however, Cooperstone discloses the selection of an insurance plan or program, therefore the wellness program of Chao would obviously be included under the broad umbrella of health insurance plans/programs disclosed by Cooperstone. Thus, the Applicant's arguments are rendered non-persuasive.

In regard to claims 1 – 20:

The Applicant argues that the Examiner used impermissible hindsight to combine the elements of Cooperstone and Chao, because Chao does not disclose a wellness component under the direction of a parent management company, configured to provide traditional wellness services such as immunizations; or also provide non traditional wellness services such as aroma-therapy and massage therapy. The Examiner respectfully disagrees. In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., traditional wellness services such as immunizations and non-traditional wellness services such as aroma

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therapy and massage therapy) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Conclusion

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to KRISTINE K. RAPILLO whose telephone number is (571)270-3325. The examiner can normally be reached on Monday to Thursday 6:30 am to 4 pm Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Luke Gilligan can be reached on 571-272-6770. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

KKR

/Robert Morgan/
Primary Examiner, Art Unit 3626